GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1535
ANSWERED ON:03.05.2016
Revamp of FCI
Bidhuri Shri Ramesh;Joshi Shri Pralhad Venkatesh;Singh Shri Ravneet

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government proposes to restructure/revamp the Food Corporation of India (FCI) as per Shanta Kumar Committee recommendations, if so, the details thereof;
(b) whether the Government proposes to slowly withdraw itself from the procurement and hand it over to States having adequate experience and procurement/storage infrastructure particularly in Haryana and Punjab, if so, the details thereof and time frame fixed therefor;
(c) the States from which FCI proposes to procure wheat and paddy for food security schemes in future; and
(d) the steps proposed to mitigate the hardships/problem of farmers who have to resort to distress sale in the absence of Government procurement facilities?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)
(a): Yes, Madam. The latest position on Action Plan for implementation of acceptable recommendations of the High Level Committee (HLC) concerning Food Corporation of India (FCI) is enclosed as Annexure.
(b): Yes, Madam. The Government proposes to slowly withdraw itself from the procurement and hand it over to States having adequate experience and procurement/storage infrastructure particularly in Haryana and Punjab. FCI's withdrawal shall be based on the consent of State Governments.
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Accordingly, FCI had not participated in wheat procurement in Haryana during Rabi Marketing Season (RMS) 2015-16. On the request of the Government of Punjab, FCI participated in wheat & paddy procurement during RMS 2015-16 and Kharif Marketing Season (KMS) 2015-16. Similarly, FCI has participated on request of State Government of Haryana in Wheat procurement in RMS 2016-17.
(c): The Central Government extends price support to paddy and wheat through the FCI and State Agencies. The producers have the option to sell their produce to FCI/State Agencies at MSP or in the open market as is advantageous to them. Foodgrains procured by the State Governments and their agencies are ultimately taken over by the FCI for distribution throughout the country.
The objective of foodgrains procurement by Government agencies is to ensure that farmers get remunerative prices for their produce and do not have to resort to distress sale. It aims to service the TPDS and other welfare schemes of the Government so that subsidised foodgrains are supplied to the poor and needy, and to build up buffer stocks of foodgrains to ensure foodgrain security. The procurement is sufficient to fulfil the requirement of wheat and paddy for food Security Schemes.
(d): Special focus has been given to increase the spread of Minimum Support Price (MSP) operations in paddy and wheat in eastern States of the country viz Uttar Pradesh, Jharkhand, West Bengal, Assam and Bihar. A policy has been framed by GOI for engagement of private players in paddy/rice procurement for extending the reach of MSP operation to remote and interior areas, earlier not operated by State agencies/FCI. Private players have already been engaged by FCI in Jharkhand, West Bengal and Uttar Pradesh.
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